



Advisory Actions 2000

Department of General Services
Office of Public School Construction

March 22, 2000 - Issue 04
State Allocation Board Meeting

Executive Corner

The Office of Public School Construction (OPSC) is pleased to announce that the proposed Cost Reduction Guidelines are available for viewing on the OPSC Web site at www.opsc.dgs.ca.gov. Comments from districts and other interested parties are encouraged. If you have comments, please submit them by April 14, 2000. The guidelines will be presented for approval and adoption at the April 2000 State Allocation Board (SAB) meeting.



Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

School Facility Program (SFP) Time Limits on Apportionment

Districts are reminded that once funds are allocated under the SFP, the district has 18 months to certify that at least 50 percent of the project is under contract for the construction or modernization of the facility *and* its matching share has either:

- Been deposited in the County School Facility Fund.
- Has already been expended by the district for the project.
- Will be expended by the district prior to the Notice of Completion for the project.

This certification is made on the *Fund Release Authorization*, Form SAB 50-05. It is important to note that if your district cannot make this certification within the 18-month period, the apportionment for the project is automatically rescinded without further action by the SAB. Affected school districts will receive a separate courtesy reminder notification. For specific information regarding this certification, please contact Della Casey, OPSC Fiscal Team, at dcasey@dgs.ca.gov or (916) 445-3269.

SFP Priority Points

The SAB adopted proposed amendments to the SFP Regulations relating to priority points for new construction projects and directed the OPSC to begin the regulation process with the Office of Administrative Law. The primary changes are summarized as follows:

SFP Regulation Section 1859.91, Implementation of Priority Points Due to Insufficient State Funds

- Priority Points are instituted when either occurs:
 - ❖ State funds available for new construction and modernization grant requests are insufficient to fund both new construction and modernization grant requests ready for apportionment.
 - ❖ State funds available for new construction grant requests on or after July 1, 2000, are \$300 million or less.
- When priority points are “triggered”, new construction projects shall be funded in priority point order until there is less than \$300 million in available funding for new construction grants.
- At that point, the SAB will continue funding in priority point order, but may adopt a priority point threshold for new construction grant requests at its discretion. In that case, projects below the threshold would be placed on an “unfunded” list.
- The SAB notification to the Legislature, which is a required component to assess level three developer fees, is made only when all new construction funds available exceed all new construction grant requests ready for apportionment.

SFP Regulation Section 1859.95, Acceptance of Applications When Funding is Unavailable

- Projects placed on an “unfunded” list are not required to re-establish eligibility for that project.
- New construction projects placed on an “unfunded” list are eligible for reimbursement, subject to adjustments for certain level three developer fees.



Minimal Requests for Modernization Grants

The SAB held over action for several modernization applications in which the district filed a funding application for only a fraction of the overall modernization eligibility for the school site. It is anticipated that a proposed regulation will be presented at the April SAB meeting to address this issue and these applications.

Lease-Purchase Program (LPP) Funding Availability

The SAB directed the OPSC to prepare a projection of the funds that will be recovered from LPP project budget approvals and closeouts and to develop alternatives for possible uses for these funds. It is anticipated that an item will be taken to the May 24, 2000 SAB meeting to present possible funding alternatives, to include options such as:

- Joint-Use.
- Environmental Mitigation.
- Implementation of Assembly Bill 191 which authorizes the SAB to approve projects under the LPP for the construction of either a gymnasium or multipurpose room on a site where the district has constructed other facilities on that site within the previous two years with local funding.
- Proposed legislation authorizing additional uses.

Public Comment Period for Proposed Regulation changes

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on January 26, 2000, must be received at the OPSC no later than April 10, 2000, at 5:00 p.m. For further information regarding the public comment period, please refer to the February 25, 2000 Notice of Proposed Regulatory Action that was previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Action, please contact Lisa Jones, Regulations Coordinator, at ljones@dgs.ca.gov or (916) 322-1043.

Copies of the applicable SAB actions, proposed regulations and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

Status of Funds

Program	Funds Available as of 2/26/00	Apportionments and Adjustments	Balance Available
Proposition 1A			
New Construction	\$271.8	-\$63.5	\$208.3
Modernization	\$7.7	.8	8.5
Hardship	\$132.0	-35.5	96.5
Class Size Reduction	\$241.6	-0-	241.6
SUBTOTAL	\$653.1	-\$98.2	\$554.9
Priority Bond Funds			
Contingency Reserves	\$54.3	2.3	\$56.6
Northridge Earthquake	\$1.8	-0-	1.8
SUBTOTAL	\$56.1	2.3	\$58.4
GRAND TOTAL	\$709.2	-\$95.9	\$613.3

Note: The SAB funded \$600,000 for Deferred Maintenance Program critical hardship projects.

Construction Cost Indices

Lease Purchase Program Construction Cost Indices for February 2000	
B	1.38
D	1.39
F & E	1.37
HSI	5.25

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